

## Optional Service Credit

In addition to service credit earned while working for a Florida Retirement System (FRS) employer, you may be able to purchase credit under the FRS Pension Plan for certain other types of creditable service. You must pay any required retirement contributions, plus interest, for the optional service credit. In some cases, your employer may pay some or all the cost for this credit.

Optional service can cover a broad range of service credit. Did you serve in the military but are not eligible to receive a military pension? Did you take an unpaid leave of absence from work for the birth of a child? Varying types of optional service include Refunded Service, Leave of Absence without Pay, Military Leave of Absence, In-State Service, Out-of-State Service, and Military as Out-of-State Service explained below.

The cost for optional service credit is dependent on the type of eligible service being purchased. Eligible service may be bought at any time before you retire from the FRS Pension Plan. Interest at a rate of 6.5 percent is compounded annually and is charged once a year on the remaining balance as of June 30.

For the purchase of optional service credit under the FRS Pension Plan, the division will accept trustee-to-trustee transfers from your deferred compensation plan account, your tax-sheltered annuity plan account, or another tax deferred account, including the State of Florida Deferred Compensation Plan and 403(b) plans offered by educational institutions. To be eligible for transfer, the plan must be authorized under one of the following sections of the Internal Revenue Code: 401(a), 401(k), 403(b), 408(a) or (b), or 457(b). (Does not include a ROTH IRA.)

### Refunded Service

Refunded service occurs when you terminate FRS covered employment and take a refund of your employee contributions. When you take a refund of employee contributions you lose credit for the service represented by those contributions. To be eligible to purchase your refunded service, you must return to work in an FRS covered position and earn one year of service credit. Once you are eligible to purchase your refunded service and decide to buy it, you must pay the required contributions, plus interest.

### Leave of Absence without Pay

A leave of absence without pay is the period when you are on an approved leave of absence from work, without pay, and plan to return to work after your leave; this includes a leave of absence taken due to resignation to run for Sheriff or Police Chief or leave taken under the Family Medical Leave Act. You must return to work immediately following the approved leave and be actively employed for at least one calendar month to qualify to purchase retirement credit for the leave. You may purchase credit for up to two work years of approved leave. You must complete and send an [Application to Purchase Retirement Credit for a Leave of Absence \(Form FR-28\)](#) to the Division of Retirement (division) to have the cost of your leave calculated. This form can be found under the Active Member Forms link on the Forms page of the division's website at [www.frs.myflorida.com](http://www.frs.myflorida.com). You may pay for the leave of absence any time prior to retirement or transfer to the Investment Plan, however interest at 6.5% annually is applied each July 1 to any unpaid balance. This service credit does not count toward the years of service needed to vest in the FRS.

## **Military Leave of Absence**

A military leave of absence occurs when you leave covered employment to serve in the military. To receive service credit for this time, you must be honorably discharged and be entitled to return to work under provisions of the Uniformed Services Employment and Reemployment Act (Chapter 43 of Title 38 of the United States Code) and you must satisfy the conditions of that act. After you return to covered employment with the same former employer within 90 days of discharge, you may receive credit for up to five years of active-duty military service. Note: you may be eligible for additional service credit beyond the five years if your service was extended for the convenience of the federal government.

Service credit for a military leave of absence will count toward vesting. You do not need to be vested before you can receive such credit. If your military leave of absence ends on or after Dec. 3, 1974, and certain criteria are met, your employer must pay employer contributions required during the period of your absence. If all or part of your military leave of absence occurs on or after July 1, 2011, you must pay any required employee contributions for the period of your absence before the service will be creditable.

## **In-State Service, Out-of-State Service, Military as Out-of-State Service**

Did you work for a Florida public employer not under the FRS or a public employer in another state? Did you work for the federal government or serve in the military and have service not included in another retirement benefit? If so, please review the [In-State and Out-of-State Service Creditable for Florida Retirement System Members article](#) for more information.

Please contact our office if you have any questions or need additional information.

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